

## ABSTRACT

Food Price Sensitivities of Income Groups  
in Trinidad and Tobago

Emaline Harris

Income-specific price and income elasticities for food are key parameters for use in the design of cost-effective nutrition policies. By isolating the behaviour of income groups it is possible to predict the impact of policies on households in specific income groups. It is also possible to identify appropriate food groups for targeting to income groups. The case for targeted policies in Trinidad and Tobago consists of declining economic circumstances, the existence of undernutrition in the population, food price inflation and the decline in government's ability to finance several nutrition programmes.

It was hypothesised that lower income groups in Trinidad and Tobago consume less calories and are more responsive to income and price changes than higher income groups. In order to test these hypotheses demand functions were estimated for two lower and two higher income groups using Central Statistical Office Household Budgetary Survey data of 1981/82. The study quantified the effects of price, income, household size and taste variables on calorie consumption of ten food groups.

The results showed that the levels of consumption for all food groups were generally significantly less for lower income groups. In response to complete income variation households were sensitive only for meat and vegetables. Poor households had a significant income elasticity for meat showing that these households are income responsive towards meat even for income changes within the limited range of income for this group.

### ACKNOWLEDGEMENTS

The hypothesis in respect to income elasticities held only for this food group. The lower income groups were significantly more responsive to prices than higher income groups in the demand for fish, milk and fruit.

In conclusion, income transfers may be effective as nutrition measures in Trinidad and Tobago only for meat and vegetables. Price policies on fish, milk or fruit can, however, be successfully targeted.

for the progress of my work. Dr. G. Alleyne was instrumental in my choice of the exciting topic of Food and Nutrition Policy. I am grateful for his guidance and concrete assistance in the early part of the research. For the completion of the thesis I am indebted to Dr. C.A. Pemberton. After the fact, I must admit that I am appreciative of his keen insight and critical analysis.

Recognition is owed to Dr. P. Watson of the Economics Department who provided vital aid in clarifying certain concepts and who wrote the programme for calorie conversion and food group aggregation.

I am thankful to Mr. L. Chong, then the Acting Director of the Central Statistical Office (CSO), for permission to use confidential data of household purchases, income and other characteristics. The CSO statisticians - Mr. Adlerly and Ms. Harrison - also gave me valuable assistance during the period of my data collection.

Ms. Judy Cato, who typed the thesis, was more than a skilled typist. It was a joy to work with her.

There are many who gave me various forms of support, spiritual, moral and financial. I make special mention of my parents and family as well as Mr. Beatrice Tugue, Mr. and Mrs. Goddard and my family at Grace Chapel.

To Him who gives strength and knowledge and all good things my eternal praise is due.